

RESOLUTION OF BOSTON REDEVELOPMENT AUTHORITY APPROVING DEVELOPER
FOR PARCEL 12 IN THE GOVERNMENT CENTER PROJECT AREA

WHEREAS, on October 7 and 10, 1962, the Authority advertised for proposals for the development of Parcel 12 in accordance with the Land Disposition Policies and Procedures for Parcel 12 approved by the Authority; and

WHEREAS, such a proposal was submitted by Center Associates, which proposal has been reviewed as to design, qualifications and financial feasibility; and

WHEREAS, there has been presented to this meeting of the Boston Redevelopment Authority a Letter of Intent executed by Center Associates, setting forth the conditions under which it will purchase Parcel 12 and develop it; and

WHEREAS, the proposed purchase price for said Parcel of \$14 per square foot is based upon two independent appraisals of the value of said Parcel for the proposed uses.

NOW THEREFORE BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That the procedure used for the disposition of Parcel 12 is the appropriate method of making the land available for redevelopment.
2. That the said Letter of Intent for the disposition of Parcel 12 to Center Associates is in accordance with the approved Land Disposition Policies and Procedures for Parcel 12, and the Development Administrator is hereby authorized to execute such Letter of Intent on behalf of the Authority substantially in the form presented to this meeting, subject to receipt from Housing and Home Finance Agency of its concurrence in the proposed purchase price, and subject to prior public disclosure as required by Title I of the Housing Act of 1949 as amended.
3. That the proposed price of \$14 per square foot is hereby approved and determined to be not less than the fair value of the Parcel for the proposed uses.
4. That Center Associates possesses the qualifications and financial resources necessary to acquire and develop the land in accordance with the policies of the Authority.
5. That the Development Administrator is further authorized to execute a Land Disposition Agreement with Center Associates substantially in the form included in the approved Land Disposition Policies and Procedures for Parcel 12.

January 30, 1963

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: EDWARD J. LOGUE, DEVELOPMENT ADMINISTRATOR

SUBJECT: DESIGNATION OF DEVELOPER FOR PARCEL 12, GOVERNMENT CENTER

On October 7 and 10, 1962, we advertised for proposals for the development of Parcel 12 in the Government Center, and received one final submission, that of Center Associates. On December 19, I reported to you that the financial capabilities of this firm appeared to be substantial, and that its schematic site plans were considered acceptable by our Design Review Panel, subject to certain changes. These changes have now been made, and the attached plans, which have been approved by the Panel, will, subject to minor revisions that may be necessary as plans proceed, govern the shape and appearance of the building to be constructed on Parcel 12. The proposed developers and their architects are working closely with our design staff on all design and structural elements of the building.

We have received a Letter of Intent executed by Center Associates in the form required by our Disposition Policy for that parcel. The proposed Letter of Intent, which has been worked out in negotiations between our staff and representatives of the developers, contains agreement upon the following items:

- a. The price of the land to be conveyed.
- b. The terms of the Land Disposition Agreement to be executed.

This Agreement provides, among other things, that

(1) The Developer will devote the land to the uses specified in the Urban Renewal Plan, and this covenant will be a covenant running with the land.

(2) The site plan and preliminary plans and specifications will be attached to the contract and made a part thereof.

(3) Final plans and specifications will be in conformity with the preliminary plans and specifications, with the site plan, and with the Urban Renewal Plan, and will be reviewed by the Authority for such conformity.

(4) All construction work will conform in every respect to the Urban Renewal Plan, the preliminary plans and specifications, and the site plan.

(5) Land will be conveyed in two or more stages as determined by the Authority, and construction on each stage will begin promptly after such conveyance and be diligently completed.

(6) No transfer of the land or the developer's interest therein or any change of more than 10% in the ownership of the developer can be effected without the approval of the Authority.

(7) The Authority has a right of recapture if the developer should default in its obligations with respect to construction and completion of the improvements.

(8) The developer may not change architect or builder without the consent of the Authority.

c. That preference in the leasing of space will be granted to former occupants in the project area to the extent practicable.

d. That a deposit of 10% of the purchase price of the entire parcel will be made by the developer upon the Authority's acceptance of the Letter of Intent.

Under the revised schematic plans, the developers will build in Stage One, on which construction will begin in the summer of 1963, approximately one third of a total of over half a million square feet. Of this total, about 400,000 will be office space and about 95,000 square feet will be retail space. In addition, the final development will have underground parking space for about 400 cars. The developers estimate a total capital investment of about \$20,000,000. About one third of this will be required for Stage One. The developers estimate 70% mortgaging and have committed the necessary equity funds.

The developers will grant to the City permanent easements for public travel along the arcades which will run along Cambridge Street, as well as along the two passageways which will traverse the building from Cambridge Street to Pemberton Square. In return, we will grant to the developers the necessary easements in Pemberton Square to accommodate construction of an underground garage there, as well as such temporary easements as they may require to facilitate construction of the building.

Center Associates is composed of Norman and Robert Leventhal, who have a combined 50% interest, Joseph M. Linsey, who has a 45% interest, and Imperial Realty Co., Inc., which has a 5% interest. Imperial Realty is a displaced owner from the Project Area. Architect for Center Associates is Welton-Becket Associates of New York, and the builder is Beacon Construction Corporation, owned by the Leventhals. The price of \$14 per square foot is consistent with both reuse appraisals that have been made on the property, the land area of which is approximately 74,000 square feet.

After discussions with the proposed redevelopers, review of relevant materials, and upon advice of the Design Review Panel and interested staff members, I am convinced that Center Associates is a capable and responsible developer which understands our objectives in the Project Area and will construct the kind of building which will be an asset to the Government Center. I therefore recommend that Center Associates be designated developer of Parcel 12, subject to (a) concurrence of the Housing and Home Finance Agency and (b) publication of the Redeveloper's Disclosure material, and that I be authorized to execute the Disposition Agreement approved in October as part of our Disposition Policy when these two events have occurred. An appropriate resolution, including the findings required by the Housing and Home Finance Agency, is attached.

Attachment



January 29, 1963

Boston Redevelopment Authority
City Hall Annex
Boston 8, Massachusetts

Re: Parcel 12 - Government Center

Gentlemen:

In accordance with Part VI of your "Land Disposition Policies & Procedures for Parcel 12 in the Government Center Project Area" we now submit to you this Letter of Intent to Proceed.

Center Associates intends to develop Parcel 12 in accordance with its submission to you of November 13, 1962, except as modified by this letter and subject to design modifications worked out since that date in collaboration with your Authority and shown on Schematic Drawings submitted to you herewith and dated January 28, 1963, which drawings, Nos. 1 to 11, inclusive (hereinafter referred to as Schematics) are incorporated in this letter and made part hereof.

Our understanding of the salient conditions of disposition of Parcel 12 to Center Associates is as follows:

1. Center Associates will pay \$14.00 per square foot for the land in Parcel 12. We understand that the precise dimensions of Parcel 12 have not yet been established by you but that, in all events, Parcel 12 will have dimensions adequate to accommodate the building shown in the Schematics. We further understand that, in all events, the total price of Parcel 12 will not exceed \$1,036,000, the price which Parcel 12 would have cost at \$14.00 per square foot on the basis of its dimensions as shown in your original proposal documents. You will provide us with easements in and under Pemberton Square, on the southeasterly end of the building to Cambridge Street, and at the northwesterly end of the building in the vicinity of Somerset Street, all as indicated on the Schematics, in consideration of our grant of easements for passage on the Cambridge Street side of Parcel 12 and through the building to be erected.

2. Center Associates will execute the Land Disposition Agreement substantially in the form previously submitted to us in your original proposal documents, with such changes as we and you may mutually agree upon. Such changes shall include, without limitation, a provision that all disputes between the parties hereto, including disputes arising out of approvals or consents required from the Authority, shall at the request of either party be submitted to arbitration.
3. Center Associates will grant preference in the leasing of space in the proposed building to former occupants of the Government Center Project Area to the ~~maximum~~ extent practicable.
4. Center Associates will cooperate with the staff of the Authority on further refinements of the architectural elements of the development proposal represented by the Schematics, in order that the development may conform fully to the objectives of the Authority as set forth in the controls for Parcel 12 contained in the proposed Urban Renewal Plan for the Government Center dated January 1963. The Authority will cooperate with Center Associates with regard to any building or zoning code variances which may be required to erect the development proposal represented by the Schematics.
5. Center Associates will present to the Authority preliminary drawings and specifications for Stage One as shown on the Schematics, within two months from acceptance by the Authority of this letter of intent. Center Associates will present to the Authority final working drawings and specifications within four months of receipt of approval by the Authority of the preliminaries and execution of the Land Disposition Agreement. Center Associates agrees to begin construction in accordance with approved working drawings within fifteen (15) days of acceptance of the deed and possession of the property.
6. The Authority will make available to Center Associates a temporary easement or right to use for purposes of constructing Stage One those portions of Parcel 12 not to be covered by the Stage One phase of construction.

Upon acceptance by you of this letter of intent, we will promptly deliver to you a good faith deposit in the amount of \$103,600.00, representing 10% of the purchase price of the whole of Parcel 12, in cash or other form acceptable to the Authority, such as an irrevocable letter of credit. This deposit

January 29, 1963

shall be forfeited if Center Associates fails to execute the Land Disposition Agreement in accordance with paragraph (2) above within twenty (20) days or within such extended time as may be mutually agreed upon following dispatch of written notice by the Authority that the provisions of such an agreement have been approved by all required federal, state, and city officials. The deposit shall be returned to Center Associates upon the latter's request if within nine (9) months from the date of this letter, the Authority has not secured required approvals from federal, state, and city officials of The Government Center Urban Renewal Plan, substantially the same in content, insofar as the plan affects the development of Parcel 12, as the January 1963 draft of the plan. The deposit shall also be returned upon the request of Center Associates if the Authority is not able to convey title to Parcel 12 and the aforementioned easements in and under Pemberton Square, on the southeasterly side of the proposed building, on the northwesterly side of the proposed building, all as mentioned above, free from any encumbrances which would render Center Associates unable to build the development proposal as shown on the Schematics. Proportional return of the deposit shall be made upon conveyance of land in Parcel 12 in accordance with the Land Disposition Agreement. Interest earned on the deposit shall be the property of Center Associates but the Authority shall not be under any obligation to invest or re-invest any deposit.

In regard to the review of our development proposal, we understand that as of the date of this letter the Authority has approved the proposal represented by the Schematics. The Authority will review the preliminary drawings to determine whether they carry out the intent of the Schematics. The review of working drawings will determine whether or not they conform with the preliminaries.

If the foregoing meets with your approval, please indicate below and return an executed copy to us, whereupon this letter shall constitute our selection as developer of Parcel 12, and our agreement to the conditions set forth above.

Very truly yours,

Center Associates

By Norman B. Leventhal
Norman B. Leventhal

Accepted:

Boston Redevelopment Authority

By _____
Development Administrator

